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FREEDOM AND JUSTICE



# **NATIONAL CIVIL SOCIETY SUSTAINABILITY STRATEGY**

**#CSOBeyondAid**





**“ Seek ye first Operational,  
Identity and Intervention  
Sustainability and Financial  
Sustainability shall be  
added onto you! ”**

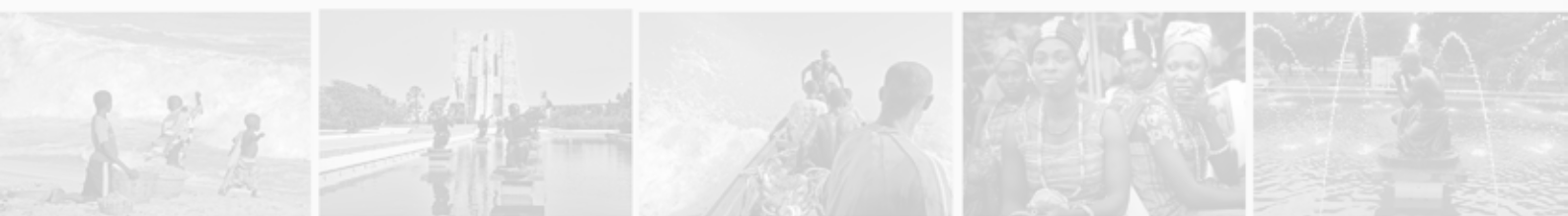
Charles Kojo Vandyck

## **ABOUT THE NATIONAL CSO SUSTAINABILITY STRATEGY**

The National Civil Society Sustainability Strategy for Civil Society in Ghana has been developed as a one-stop-toolbox of ideas, initiatives and strategies for making Ghanaian civil society viable and sustainable. This strategy document analyses the different approaches, models and resourcing strategies commonly used by CSOs in Ghana and beyond. From the national CSO sustainability convenings, it became clear that there is growing interest in new financing models and the development of alternative funding models that reduce a CSO's dependence on traditional gift-incomes and official aid. The Strategy document is a product of national CSOs convenings on the sustainability of the sector organised by the West Africa Civil Society Institute (WACSI) and STAR Ghana Foundation.

## **ACKNOWLEDGEMENTS**

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## PRIORITY AREAS AND KEY RECOMMENDATIONS

This strategy paper has been developed as a one-stop-toolbox of ideas, initiatives and strategies for making Ghanaian civil society viable and sustainable. This strategy paper analyses the different approaches, models and resourcing strategies commonly used by CSOs around the world drawing inspiration from previous work by the West Africa Civil Society Institute (WACSI) on issues around sustainability and the characteristics of sustainable CSOs. From the national CSO convenings, it has become clear that there is growing interest in the development of alternative funding models that reduce a CSO's dependence on traditional gift-incomes and official aid.

The global trend, from which Ghanaian CSOs can learn a lot, seems to be one of developing greater independence and resilience through diversifying income sources and a willingness to explore more entrepreneurial routes to financial sustainability. To do that this strategy suggests a mix of 41 administrative and strategic policies, strategies, plans, forms and manuals that a viable CSO should have.

The overriding message in this strate is that there is the pressing need for CSOs to re-think their business models, think strategically about their financial models and adopt strategies that will help them maintain their independence and still be sustainable.

1

**Create an enabling legal, governance and institutional framework for civil society to thrive:**

Advocate and lobby for the speedy passage of the NGO Bill.

2

**STAR-Ghana and other interested stakeholders should facilitate and support the establishment of a National Council of CSOs as a self-regulating civil society body.**

3

**Development Partners, Foundations and private sector must adapt funding policies and practices by providing long term, flexible and core funding that allows CSOs to plan multi-year projects and retain staff.**

4

STAR-Ghana should support WACSI, other capacity-building organisations and the universities to run a certificate course in NGO Organisation Development

7

STAR-Ghana and WACSI should test the ideas and strategies in this plan by assisting CSO networks or high-performing CSOs to operationalize this plan on a pilot basis. These CSO networks will serve as "centers of excellence" and will cascade their learning and support through national, regional and district CSOs and networks.

5

International NGOs should support management fees and sustainability grants when working with local CSOs and CBOs, including building sustainability into projects right from the project conception stage.

8

The key phrase for civil society is "change or die". CSOs must re-engineer their business models by:

- \* Exploring private philanthropy.
- \* Exploring the potential power and impact of innovative online fund-channeling sites
- \* Engaging with foundations – particularly the new breed of major private donors that have emerged over the last twenty years who give considerable funds to development projects and NGOs.
- \* Networking and collaborating with other CSOs. This will help CSOs to leverage on each other's strengths and competencies and contribute to their overall efficiency.
- \* Sharing operational cost to reduce administrative burdens.

6

#### To Promote Participation and Accountability

CSOs should establish a civil society advisory committee in their operational areas, with representatives from key stakeholders and ensure their involvement in strategy making, project design and selection, implementation, monitoring and evaluation etc.



## SECTION 1 BACKGROUND

Civil society, together with government and the private sector, constitutes an essential pillar of a well-functioning state. Civil society across the globe has emerged as a key stakeholder in the development process and a vital force in strengthening governance processes. In Ghana, civil society continues to grow and has been significantly contributing to democratic development and consolidation. The Commonwealth estimates that “presently there are around 300,000 NGOs in the country”, with an estimated annual development expenditure of \$150-200 million<sup>1</sup>. Atuguba (2013) highlights some of the specific contributions of civil society as: (1) Initiating policies which are approved by Cabinet and passed into law by the Parliament; (2) Holding public officers accountable for the use of public resources; (3) Performing a critical role in mobilising social capital for development activities; (4) Articulating citizens’ interests and demands and defending citizens’ rights; (5) Advocating for the equitable distribution of national resources; (6) Mediating between the State and citizen groups about contentious issues; (7) Nurturing peace and security; and (8) Providing goods and services to mostly unreached segments of the population amongst others.<sup>2</sup>

Nonetheless, civil society organisations in Ghana are generally fragile and dependent on donor funding for survival. A **STAR-Ghana Political Economy Analysis of Civil Society in Ghana** (2013) regarding the perceptions of CSOs about their financial situation, showed that “52.8% of CSOs in the study considered that their financial situation had not improved over the last five years, 32% thought their situation had deteriorated while 20.8% thought their situation had remained the same.

With regard to how CSOs viewed their financial sustainability, only 6.9% of the CSOs rated their organizations as ‘permanently sustainable’ whilst 24.1% viewed their organizations as having ‘prospects for long term’ and ‘medium term’ sustainability respectively. A few rated themselves as having ‘prospects for short term sustainability (13.8%) and ‘living from hand to mouth (12.1%)’<sup>3</sup>. CSOs are thus “under immense pressure to operate, survive and thrive in an increasingly competitive sector”, while maintaining independence and continually generating funds to pursue planned operations and command strong recognition and influence. CSOs in Ghana are generally in a state where the likelihood of beneficiaries continuing programmes and projects after donors’ exit looks less than satisfactory. Overall, the picture of sustainability of civil society in Ghana appears challenging and requires immediate work to ensure positive outcomes in the future.

In response to these challenges, civil society actors began discussions on issues related to the sustainability of the sector to find lasting solutions.

<sup>1</sup> *Opinion: Are Civil Right Societies or NGO essential to Ghana’s development?* Culled from [www.myjoyonline.com](http://www.myjoyonline.com)

<sup>2</sup> Atuguba, R. (2013) Civil Society and Development in West Africa: Ghana Civil Society Paper. 28 February 2013

<sup>3</sup>

STAR-Ghana. Political Economy Analysis (PEA) of Civil Society in Ghana. November 2013



In November 2015 the West Africa Civil Society Institute in association with INTRAC also organised a webinar involving representatives of 41 international NGOs and agencies, national and regional organisations, foundations and donor agencies to discuss aid dynamics and changing global power relations which is having a great effect on civil society organisations around the world. In the process, wider issues related to regulatory, legal and environmental frameworks that enable the effective operations of CSOs became an important aspect of the sustainability discourse.

In addition to these discussions, WACSI partnered with STAR-Ghana in 2015 to produce a publication on The State of Civil Society Organisations' Sustainability in Ghana, which throws light on how CSOs in Ghana are grappling with profound questions about their future, purpose and role in socio-economic development. The publication generated a lot of interest and debate. Many issues and questions such as the changing context and landscape of civil society started rising. Civil society sustainability, as a wholistic construct which goes beyond availability of funds, started increasingly becoming an important discussion point. In response to this, in 2018, STAR-Ghana and WACSI partnered again to conduct convenings on the sustainability of the sector with the aim of generating concrete actions that would contribute to the sector's long-term survival and continued impact.

The convenings formed part of STAR-Ghana's broader sustainability programme. The convenings enabled the team to gather evidence and learning about the state of the sector's sustainability in Ghana and how to influence civil society policy and funding mechanisms. In total, four convening were held across Ghana, as below:

- a. Northern zone Convening of CSOs in Northern Ghana (Upper East, Upper West and Northern Regions);
- b. Middle belt Convening of CSOs in Ashanti and Brong-Ahafo Regions;
- c. Coastal belt Convening of CSOs in Central and Western Regions;
- d. Southern zone Convening of CSOs in Eastern, Greater Accra and Volta Regions.

A total of 100 participants representing over 90 civil society organisations in Ghana were actively engaged in the convenings. A report on the convenings that includes the peculiar contexts of civil society sustainability in each geographic belt in addition to strategic priorities and recommendations has already been published. This national strategy summarises all the above efforts into one broad national strategic paper to advance civil society sustainability in Ghana.





## SECTION 2

# SITUATIONAL ANALYSIS

Many civil society leaders agree that civil society is at the crossroads. Many find themselves in uncertain waters, occasioned by years of being seen (and used as project delivery agents) by International NGOs and development partners. The impact of this situation has been years of focusing on delivering projects and their outputs and outcomes and not on building vibrant, sustainable entities. Development partners' focus on project delivery is rightly so, considering the short-term nature of many projects, ensuring that the capacity building of many CSOs, especially capacity building in sustainability and longer term thinking and planning have been left out of the development discourse for quite some time now. This situation is what makes the current focus of STAR-Ghana and WACSI extremely important.

Civil society groups in Ghana have grown in number and importance, according to WACSI's publication, *The state of Civil Society Sustainability in Ghana*. Findings from this research "lead to the conclusion that the state of civil society sustainability in Ghana remains challenging". Furthermore, the Civil Society Sustainability Index (CSSI) showed an overall composite score of 2.7 over a maximum score of 5, with 5 being most sustainable. The score indicates that "sustainability of civil society is quite far from satisfactory with several organisations currently just surviving and struggling to thrive", adding that "this challenging state is not necessarily as a result of 'persecution' or obvious 'harassment' from government as some reports call attention to (PRIA et al, 2012; CIVICUS, 2014). Rather, the challenging situation is a product of complex interactions between the availability of funds, the operations, identity and interventions within the civil society landscape in Ghana".

Inspired by De Tocqueville's idea of civil society and emboldened by the triumph of civil rights movements in East-

ern Europe and the end of the cold war, Africa's nascent civil society organizations enabled the emergence of democracy in the 1990s. However, it is now widely perceived that the civil society is in trouble with Africa's political class. **"Prescriptive universalism"**, the idea that civil society in Africa is a good thing and must be nurtured is becoming increasingly doubtful. The current phenomenon of closing civic space with its attendant reduction in funding, prompts civil society actors to explore alternative programmatic and funding models and approaches to sustain their work.

There has been an increase in the withdrawal of aid by international NGOs from partners, projects, programmes, regions and countries throughout the world. For instance, according to the UN Committee for Development Policy member countries of OECD-DAC spent over US\$135 billion on development assistance in 2014. It however notes that "when compared to 2013, ODA flows declined by 0.5 per cent in real terms in 2014. The decline was disproportionately large in the case of ODA flows allocated to the LDCs. Bilateral aid to LDCs fell by 16 per cent in 2014". Bilateral aid to sub-Saharan Africa was \$26.2 billion, a decrease of 4% in real terms from 2012. While global aid levels could increase again, according to UN forecasts, a trend of a falling share of aid going to sub-Saharan African countries looks likely to continue. Reasons include funding cuts by donors, decisions to reduce support to middle-income countries, responding to difficult operating environments, and shifts in strategic direction at the organisational level. The withdrawal approaches vary across organisations with multiple ways to describe the process: handing over, phasing out, transition, winding down, wrapping up, moving on, spin-offs.

The situation in Ghana is no different from that of many civil society organisations around the world, who are facing major challenges because of economic and political shifts. Around the world, civil society is at a crossroads. Pushed on one side by questions about their relevance, legitimacy,



and accountability from governments and their beneficiaries, civil society organizations (CSOs) face an increasing pressure to demonstrate their value to and connection with local communities. On the other side, civil society is having to adjust to a rapidly deteriorating legal and operational environment, as countless governments pursue regulatory, administrative, and extra-legal strategies to impede their work. State and para-state actors such as political party affiliated groups also pose a threat to the sector, attacking human rights defenders, bloggers and journalists, environmentalists, and labour unionists in unprecedented numbers. Among the most pronounced trends affecting civil society in 2016 was the continued upswing in social media

use throughout many segments of society. As the Internet becomes more widespread and more affordable, and smart phone use increases, new communication platforms are changing the ways many CSOs work. Furthermore, CSOs are encountering major disruptions to their revenue streams because of changing donor priorities and government restrictions on foreign funding, and to their business model from emerging forms of civic activism.

The national convenings revealed that there have been some major changes/shifts in civil society work in all regions, mainly similar with minor variations.

Region	Context
Upper West	<ul style="list-style-type: none"> <li>Change from Service Delivery to more Advocacy and Accountability</li> <li>Business solutions to poverty reduction as opposed to charity donations</li> <li>Improved networking and communication between organisations</li> </ul>
Upper East	<ul style="list-style-type: none"> <li>It has changed from service delivery to rights and advocacy issues.</li> <li>Donors demand community contribution</li> <li>Communities are looking for physical delivery</li> <li>Influence by politicians</li> </ul>
Northern	<ul style="list-style-type: none"> <li>INGOs are now undertaking direct implementation (RINGS, SPRING)</li> <li>INGOs are competing with local NGOs for calls</li> <li>Donor funding fatigue</li> <li>Our status as a Lower Middle-Income Country (LMIC) has reduced donor support</li> <li>Donor Policy changes;</li> <li>Advocacy versus service delivery</li> </ul>
Brong Ahafo & Ashanti	<ul style="list-style-type: none"> <li>Funding has changed over time since it is now difficult accessing donor funds.</li> <li>Funding has reduced because data from the Ghana Poverty Reduction Strategy show that, the region is better off in terms of poverty reduction, making donors redirect their focus to other areas that are lagging behind.</li> <li>There is the emergence of new CSOs in the region, bringing about so much competition.</li> <li>There is strong collaboration between CSOs and MMDAs</li> </ul>
Central Region	<ul style="list-style-type: none"> <li>Most CSOs are struggling for funding.</li> <li>Introduction of networks and coalitions</li> <li>Donor agencies are no longer receiving funds from their government</li> <li>Donor agencies are now integrating their activities with government as compared to CSOs</li> <li>The matching funds percentage is higher than previously known.</li> </ul>
Western Region	<ul style="list-style-type: none"> <li>Donors used to partner with individual organisations but are now more keen on coalitions</li> <li>Donors dictating funding focus</li> <li>Increase in number of CSOs</li> <li>Change in focus of funders</li> </ul>
Eastern Region	<ul style="list-style-type: none"> <li>Reduction in the number of NGOs in the region due to dwindling support</li> <li>Many NGOs are formed based on funding</li> <li>Most NGOs involved in HIV have shifted to governance due to dwindling funds</li> <li>Emergence of Agric-based CSOs in the region</li> <li>Formation of networks/groupings such as Malaria</li> <li>Low capacity of CSOs in the region</li> </ul>
Greater Accra	<ul style="list-style-type: none"> <li>Improved trust by government of CSOs (favourable political environment)</li> <li>Improved recognition and collaboration with CSOs</li> <li>Increased number in and visibility of Civil Society</li> <li>Shift from output and outcome to impact</li> <li>Use of participatory approach in programming to improve project outcomes (ownership)</li> <li>Strengthen internal systems for CSOs</li> <li>Changing funding focus from core funding to project funding</li> <li>Widespread use of technology</li> <li>Intense social media presence</li> </ul>
Volta Region	<ul style="list-style-type: none"> <li>Political influence is having a negative impact on the work of CSOs</li> <li>There are increasing number of CSOs competing for limited funds from fewer donors</li> <li>Community and stakeholder fatigue</li> <li>Advancement of technology has brought about visibility and an increased number of CSOs</li> </ul>

## The Main Sustainability Challenges Faced by Civil Society in Ghana

### FUNDING & GRANT MANAGEMENT

**Capacity to manage large funds**  
**Capacity to be competitive in sourcing grants.**  
**Administrative and overhead cost largely due to funding which is a threat to maintaining staff**

### ENABLING ENVIRONMENT

**Coalitions' main sustainability challenge is unstable membership which poses a big threat to the organisations**  
**Difficulty with operational environment. Some organisations shared stories of hostility of political appointees towards their work**

### INTERNAL GOVERNANCE & STAFF CAPACITY

**Capacity of staff**  
**Weak governance systems**  
**High staff attrition**  
**The challenge is more about high staff numbers (some organisations have as many as 90), managing transitions and project closures**  
**Maintaining high quality staff due to high cost of highly skilled staff coupled with donor disinterest in paying for staff cost**

### Impacts of the Changing Context on Civil Society

The Convenings revealed that Ghanaian civil society have been greatly impacted in various ways by the changing national, regional and continental trends, amongst which are;

- Winding/folding up (In Ashanti and Brong Ahafo regions)
- Downsizing and rightsizing (in Volta and Eastern regions)
- Inability to fulfil statutory obligations (SSNIT) (in Volta region)
- Collapse of some strong CSOs
- Focus on short term projects
- Inadequate financial support
- Staff retention issues
- Loss of independence and credibility due to the reliance on politicians
- Specialisation in key areas
- Increase in membership of associations
- Establishment of social enterprises
- Inability to expand scope of activities
- More collaboration among CSO through networking

The biggest impact has been on financial sustainability, where the WACSI study referred to above found an extremely challenging situation for many civil society organ-

isations. Finance has been found to be the most pressing and challenging aspect of sustainability, yielding an average index of 2.4 on the CSSI. Averagely "income mobilization and generation received a very deplorable score (score=2.3), financial planning was even more challenging (score=2) while sound financial management systems received a satisfactory score (score=3)". The study also found that civil society organisations face an equally challenging situation with their operational sustainability, with an average index of 2.6, "which depicts a challenging and less-than-satisfactory state for Civil Society to continue their operations". The most basic conclusion reached here is that, "in addition to the competitive funding environment, it is also equally challenging for several CSOs to continue to execute their programmes in the changing development landscape".

The convenings also focused on identifying workable and working examples of sustainability models. In the Upper West regional capital of Wa, a Local NGO operates a washing bay to augment its income. In the Northern region, local NGO, NORSAAC operate a car hiring service and in the Central region, a local NGO has built a guest house. In the Western region, the Ghana Red Cross also operates a business center with copier facilities.



## SECTION 3

# THE 4 PILLARS OF BUILDING CIVIL SOCIETY SUSTAINABILITY IN GHANA

This strategy paper agrees with the International NGO Training and Resource Center (INTRAC)<sup>4</sup> "a sustainable CSO is one that can continue to fulfil its mission over time and, in doing so, meet the needs of its key stakeholders – particularly its beneficiaries and supporters". As such, sustainability should be seen as an ongoing process, rather than an end in itself. "It is a process that involves the interaction between different strategic, organisational, programmatic, social and financial elements". INTRAC adds "sustainable CSOs are those able to respond strategically and effectively to external changes. They revise their mission and objectives accordingly, access new sources of income, and adapt their systems and processes to meet the new challenges"<sup>5</sup>.

New methodologies are being developed to identify and assess the organisational characteristics of effective and sustainable civil society organisations. Commonly, these are based on an assessment of core attributes such as leadership capabilities and management competencies, the capacity to deliver specific services (health, education, etc.), or the ability to pay salaries and cover running costs. But increasingly they also include analysis of a CSO's ability to anticipate and handle change; in particular adapting to changes in the external environment and the consequences of such changes on their income as well as aging or outdated systems and processes.

### What needs to be changed for civil society to be more sustainable?

<sup>4</sup> INTRAC is a not-for-profit providing training, consultancy and research globally to help civil society organisations and networks be more effective.

<sup>5</sup> INTRAC Briefing Paper 41. Models of INGO Sustainability: Balancing Restricted and

Unrestricted Funding. John Hailey. November 2014

The convenings agreed that the following needs to be in place for civil society to be sustainable;

- Good community entry strategy
- Project impacts
- Capacity building in resource mobilisation and sustainability
- Networking
- Environmental scanning
- Refocus to connect more with communities
- Improve internal governance systems
- More effective and efficient in-service delivery

The above aligns broadly with the WACSI Civil Society Sustainability Index (CSSI) that argues that "civil society sustainability can be understood by focusing on four dimensions; financial (the continuous availability of financial resources), operational (capacity, technical resources and administrative structures to operate programmes), identity (the long-term existence of organisations themselves) and in relation to interventions (the continuity of results, impacts of specific projects after its completion or funding ends)"<sup>6</sup>.

### Building Sustainable Organisations

As outlined above, the WACSI study and the attendant CSSI arrived at four broad pillars or parameters for measuring civil society sustainability. To develop a sustainability strategy therefore, this strategy paper will look at the elements under each of the four strategic pillars - **Financial, Operational, Identity and Interventions** sustainability.

This is broadly in line with the criteria for organisational sustainability that was initially developed by global change-making organisation, Ashoka, and has been refined over time.



Ashoka indicates that the ability of a CSO to manage change and remain sustainable depends on, first, having sufficient and positive public profile (Identity), network and reputation to attract resources (Intervention), having suitable and appropriate organisational systems and processes to be able to attract resources and retain a relationship with the donor or those making the contribution (Financial), having the internal capacity and willingness to learn and evolve (Operational). In support of this approach, MANGO, a specialist NGO providing accounting and financial advice to the civil society sector as a whole, argues that NGOs need to invest in building relationships (Operational), risk management and basic good financial practice (Financial). As John Hailey notes, "what is notable about both the Ashoka and MANGO's analysis of the characteristics of organisational sustainability is that it is not just about an NGO's ability to raise or manage funds, but also about its ability to build on its reputation and to develop and maintain strong external relationships"<sup>7</sup>.

The WACSI Framework is also broadly in line with what experts generally agree are the seven components necessary to ensure a sustainable organisation.

<b>Organizational Identity</b> Vision; Mission; Values; Branding; Messaging; Strong Leadership	<b>Financial and Other Systems Administration</b> Budget; Cash Flow Analysis; Audit; Internal Revenue Reporting
<b>Long-Range Strategic Plan</b> Goals; Objectives; Benchmarks	<b>Long-Range Fund-Raising Plan</b> Needs and Resource Assessment; Donor Cultivation; Grant Writing
<b>Annual Operational Plan</b> Objectives, Activities & Timelines; Staffing; Program Needs; Committed Resources	<b>Board Development Plan</b> Needs Assessment; Evaluation; Recruitment; Orientation; Maintenance/Team Building
<b>Staff Development and Organizational Culture</b> Needs Assessment; Evaluation & Review; Training; Team Building	

## Approaches to Civil Society Financial Sustainability

**Gifts.** The great majority of international NGOs (INGOs) such as Plan International, Christian AID, CARE International, World Vision etc who fund most Ghanaian CSOs, depend on the gift economy to maintain their work. They are financed by a range of gifts and voluntary donations. Such gift-based funding strategies, if successful and embedded in the work of the organisation, can be effective and sustainable in terms of ensuring predictable unrestricted income. Such gift-giving is through a variety of ways including one-off gifts, personal donations and legacies, community collections or special events, regular bank-based giving by standing order or direct debit, child sponsorship, or new approaches to web-based giving (e.g. Giving What We Can, GuideStar, JustGiving, etc). Faith-based NGOs also raise funds through a range of personal pledges, church collections, or zakat funding. According to John Hailey, significant giving is also generated by dedicated humanitarian appeals at the time of some extreme emergency or event (as seen at the time of the Kwame Nkrumah Circle flood and fire disaster in June 2015 or the Ebola Outbreak in West Africa in 2014).

The extent of the dependence on such personal giving can be seen in the way that most INGOs rely on gifts from the general public rather than funds from official donors. For example, in the UK less than 5% of non-profits carrying out international humanitarian work receive aid from official donors. The data from the UK's official non-profit regulator, the Charity Commission, identifies nearly 12,000 gift-based development INGOs registered in the UK<sup>8</sup>. Not only do these figures highlight the vibrancy of the sector, but also show the continued support by the general public for the work of such NGOs working internationally<sup>9</sup>.

The scale of giving from these private foundations and donors is hard to gauge accurately, but estimates suggest it is significant and growing. Recent data suggests that there are over 160,000 grant-giving foundations in the US and Europe alone. The evidence suggests that funding for international development makes up at least 20% of the total funds of those foundations that fund overseas development projects. This is estimated at over \$10 billion per annum - much of which goes directly to projects and programmes run by NGOs and CSOs<sup>10</sup>. In other words, this is a considerable resource, which CSOs can access.

<sup>7</sup> John Hailey. Models of INGO Sustainability: Balancing Restricted and Unrestricted Funding. November 2014

<sup>8</sup> John Hailey, 2011, NGO Funding and Private Philanthropy, ONTRAC 49, INTRAC, Oxford. See also B.Pratt, J.Hailey, et al. 2012, Understanding Private Donors in International Development, Briefing Paper 31, INTRAC, Oxford.

<sup>9</sup> In the UK over half of funding for such charities is from people aged over 60 and DFID data suggests that there is decreasing concern in the general public about issues of global poverty.

<sup>10</sup> INTRAC 2014. intrac.org

The other significant players in this area are the increasingly powerful foundation-support organisations (see GrantCraft, GEO and the Foundation Centre in the US or the Association of Charitable Foundations and New Philanthropy Capital in the UK) that advise and support foundations in philanthropic work and, as such, are influential in determining the proportion of foundation funds that go to INGOs.

While this data is indicative of the extent of private giving and the gift-economy, it should also be noted that there are concerns about the sustainability of the gift-economy. Polls in Western countries highlight increasing public cynicism as to the value of funding development projects, and the age profile of those providing financial support to INGOs in this way suggests that this is an ageing and diminishing segment of the population<sup>11</sup>.

**Direct official aid.** All the evidence suggests that only a relatively small proportion of INGOs receive official aid (i.e. deriving a proportion of their income from official donors such as DFID or Danida, USAID or AusAid). These aided-INGOs are normally the larger, high-profile INGOs with established track-record of working with official donors<sup>12</sup>. A small proportion of these aided-INGOs also raise funds from other aided institutions such as UN agencies, the World Bank and other development banks. While there has been a growth in official funding of INGOs over the last 20 years (most dramatically in the area of funding of emergency and humanitarian work), the projections are that official aid for INGOs will be reduced (as has already been seen in Australia, Canada, Ireland and the Netherlands) or restructured. This is reflected in the moves to develop new funding models such as contracting or Payment By Results commissioning, or the use of large consortia-based funding frameworks based on competitive bidding processes. In November 2016, the U.K's DFID released a Civil Society Partnership Review that announced that a previous system of [program partnership arrangements](#), which provided unrestricted funding to nonprofits, will end in December 2016. When it did, more than 40 organizations faced a combined £360million gap in strategic and core funding, according to DfID's website on PPA grants.

**Contracts.** A variation on the aided-NGO is the contracted-NGO. In other words, these are NGOs, which rely on contracts, and commissions that are awarded by donors - either multilateral or bilateral donors, government departments, or foundations. There is a growing trend by official donors to contracting and NGOs have responded accordingly.

For example, many Brong Ahafo and Ashanti region based local CSOs depend on such contracts from local government to run their projects or programmes, providing specific services in select communities.

**Enterprise supported.** A growing trend started by INGOs is to generate a proportion of their income from enterprises or commercial ventures that they own and run. These can either be self-standing commercial enterprises with clear profit-based business goals as exemplified by the subsidiary companies created to support BRAC, the major Bangladesh-based INGO; or complementary for-profit enterprises that also have developmental goals such as SocioServe's microfinance subsidiary, and Afrikids' guest houses. Typically, enterprise-supported INGOs rely on a mix of gift and aid income, and profits from their subsidiary enterprises make up only a relatively small proportion of total income. Two approaches are commonly used here: direct trading activities, such as SocioServe's microfinance, Western Region Red Cross' photocopier services and NOORSAC's car rental service; or service-provision ventures where a CSO sells a particular expertise. For example: Transparency International offers anti-bribery training through its Training and Advisory Services; Practical Action provides a consulting service in the area of sustainable or alternative technologies; and Marie Stope's Options Consulting Service provides specialist support in the area of sexual and reproductive health.

#### Local Best Practice

Established as an NGO in 2002, SocioServe Ghana exists to ensure that vulnerable and excluded people have access to quality education, good health, equal rights and a protected environment by creating empowering partnerships for sustainable development.

With a view to better serving its beneficiaries and stakeholders, SocioServe operated a very credible and vibrant microfinance scheme that targeted mainly low-income persons, especially women. This is regarded as an effective means of reducing poverty. SocioServe believed that provision of small loans, savings and insurance products to the poor (especially women), could be a way of developing capabilities through providing opportunities and encouraging self-reliance and active control of their households and community roles.

SocioServe registered the microfinance business as a wholly-owned subsidiary called **3A's Microfinance Limited** under the Ghana Companies Code 1963 (Act 179), with the Bank of Ghana and the Ghana Association of Microfinance Companies (GAMC).

<sup>11</sup> See UK YouGov Poll in 2011 which suggested that nearly 40% of UK voters were unfavourable to the principle of foreign aid.

<sup>12</sup> DFID's spend on "contractors to deliver aid programmes" doubled between from £0.6bn to £1.2bn between 2008 and 2014. USAID increased contracting commissions 700% in the period 2000-08 to over \$14billion.

### International Best Practice

The Bangladeshi-INGO, BRAC, is the most commonly cited example of the enterprise-supported INGO. It has an ambitious sustainability strategy, and in 2013 only a third of its annual expenditure of \$545 million came from official donors. Much of its income is generated by the different enterprises it owns. These include a **bank, internet and mobile phone companies, printing businesses, feed mills, tea companies, fisheries, dairy**, etc. All of these operate commercially and their profits used to support BRAC's development activities. BRAC employs now over 120,000 people in eleven different countries, and is one of the largest development INGOs operating today.

### Best Practice

The well-established Dutch INGO, SNV, has adopted an evolving strategy towards becoming a hybrid social enterprise. In an effort to move away from its dependence on official aid funding, it hopes to generate income by providing advice and capacity building support. It intends to build on its existing network of local partners to equip local communities, businesses and organisations with the tools, knowledge and connections to become more sustainable by increasing their incomes and accessing local services.

Care must be taken with this approach though as a crucial element of the enterprise-supported strategies of such INGOs is that they commonly incorporate a developmental purpose with a profit-generating goal. For instance, Ox-fam is a major trading presence in the UK. It is one of the top-ten high street retailers with 700 shops across the UK and a significant on-line shopping presence. While these shops are expected to generate income, they also have a developmental role in terms of selling fair-trade goods or handicrafts that benefit local producers, as well as a wider educational role. It is also a relatively rare model and John Hailey advises, "In most cases enterprise-funded INGOs receive only a small proportion of their income from such ventures. Experience also suggests these subsidiary enterprises have high start-up costs and can be a significant management burden and as a result carry high transaction costs".

**Evolving Social Enterprises.** Another small, but significant trend, is where an NGO evolves (or incubates) an autonomous social enterprise; or where a business, donor, and INGO work together to form new collaborative enterprises. The growth of new social enterprises and social franchises and the support they have received from governments and donors has been one of the defining characteristics of service provision over the last ten years. Increasingly, such providers are offering social services, health and education. In Lagos for instance: 60% of schools are now private and 40% of children from families in the lowest third of income distribution are in such private schools. Private education is no longer the domain of a rich middle class and is increasingly being seen as a service delivered to all income levels by a range of for-profit businesses and social enterprises. Marie Stope's global network of BlueStar clinics and Basic Need's franchise model designed to provide mental health support in the poorest communities are all very good examples. BRAC, for example, has actively promoted the development of a range of social enterprises, which in 2013 had a combined turnover of \$165 million.

The Companies' Act 1963, (Act 179) which governs the operations of all companies in Ghana, whether for-profit or non-profit, does not bar a civil society from running a social enterprise or commercial enterprise. To do that, an NGO should set up an autonomous entity, with the NGO as the shareholder or owner. The leadership of the NGO could then serve on the board of the new entity for purposes of control and vision.

Another evolving model is where civil society or NGOs develop collaborative partnerships with local businesses or major multinationals. The Ghana Heart Foundation has partnered with Kasapreko's Awake Purified Water, where GHc0.20 is donated to the Foundation upon every bottle of water purchased. The Ghana Poultry Project offers another good example of this approach. For nearly a decade the Ghana poultry sector has contracted as a result of intense competition from imported poultry meat and the decreasing profitability of egg production. The Ghana Poultry Project, funded by USAID and implemented by ACDI/VOCA and TechnoServe aims to increase the competitiveness of domestic production and processing of poultry and eggs. One of the main pillars and approaches of the project is the provision of financial inclusion services for farmers, which it is partnering with local bank, Premium Bank on. Internationally, CARE and PLAN are partnering with Barclays Bank to develop their **Banking on Change Programme** intended to enhance access by the poor to basic banking services in 11 countries. Other examples include Vodafone's partnership with AMREF in Kenya. A variation on this is where an NGO social enterprise collaborates with multinational companies, such as the way that Galvmed works in partnership with major pharmaceutical companies like Pfizer or Merck. Galvmed is a non-profit global alliance that makes affordable live-stock vaccines, medicines and diagnostics accessible to farmers across the developing world.



An alternative hybrid model is where a corporation works in collaboration with an official donor to support the development of a specialist NGO. **GirlHub**, for example, is a strategic collaboration between DFID and the Nike Foundation (the philanthropic arm of the multinational sports company, Nike). GirlHub is a British registered NGO with an annual turnover of £2 million, with operations in Ethiopia, Rwanda and Nigeria. It helps decision-makers and donors to address the needs and rights of adolescent girls and sees itself as a catalyst organisation. GirlHub's strategy is to combine DFID's development expertise and global reach with Nike's experience and expertise – particularly in communication, business planning and innovation, and the experience of the Nike Foundation's international work to empower adolescent girls. Another example is the collaborative support provided by Coca-Cola and USAID to support the Water and Development Alliance (WADA) and its programmes across Sub-Saharan Africa. Managed by the Global Environment and Technology Foundation (GETF), WADA is a strategic partnership between The Coca-Cola Company and USAID. GETF provides programme management, strategic planning and partnership development support to the corporate social responsibility efforts of the above initiative.

#### NOTE

**Strategically it is important to ensure a balanced mix between “unrestricted” and “restricted” funds. Restricted funds are those that can only be used for specific purposes that have been agreed with a specific donor; while unrestricted funds are “free money” that can be used for any purpose that helps the CSO to achieve its mission. A financially sustainable CSO is one which can continue with its core work and meet its mission even if external donor funding is withdrawn. An over-dependence on restricted funds is an indicator of potential unsustainability.**

WACSI, Ashoka and INTRAC all point out that civil society sustainability is not just about developing new fund-raising campaigns or writing clever funding proposals, but as much about ensuring that there has been sufficient investment in organisational systems and processes. Globally the trend seems to be one of developing greater independence and resilience through diversifying income sources and a willingness to explore more entrepreneurial routes to financial sustainability. The following sections take each of the four major pillars of civil society sustainability as defined in the WACSI CSSI and offers strategies under each parameter.

#### **Strategic Pillar 1 – Building Operational Sustainability (SEE ANNEX 1)**

#### **Strategic Pillar 2 - Build Financial Sustainability (SEE ANNEX 2)**

#### **Strategic Pillar 3 - Build Identity Sustainability (SEE ANNEX 3)**

#### **Strategic Pillar 4 - Building Interventions Sustainability (SEE ANNEX 4)**



## SECTION 4

# CONCLUSION & RECOMMENDATIONS

The National Civil Society Sustainability Strategy for Civil Society in Ghana has been developed as a one-stop-toolbox of ideas, initiatives and strategies for making Ghanaian civil society viable and sustainable. This strategy document analyses the different approaches and models and the different resourcing strategies commonly used by CSOs in Ghana and beyond. From the national CSO sustainability convenings, it became clear that there is growing interest in new financing models and the development of alternative funding models that reduce a CSO's dependence on traditional gift-incomes and official aid.

The global trend, from which Ghanaian CSOs can learn a lot from, seems to be one of developing greater independence and resilience through diversifying income sources and a willingness to explore more entrepreneurial routes to financial sustainability. There is the pressing need for CSOs to re-think their business models, think strategically about their financial models and adopt strategies that will help them maintain their independence and still be sustainable. Once again as John Hailey points out, "this trend will have major implications for CSOs in terms of their identity, values and culture. It also means that new and different skills and competencies will be needed by staff and board members". Going forward, CSOs will have to reassess what core capabilities and competencies are needed and understand how best to transform themselves to handle the new financial realities.

## Recommendations

All actors involved in the development value chain, Government, development partners, CSOs, beneficiaries and host communities, have a role to play in ensuring the viability of the civil society sector.

### Government and its Ministries, Departments and Agencies

#### Create an enabling environment for civil society sustainability in Ghana

German philosopher, Friedrich Hegel, argued that civil society needed to be balanced and ordered by the state, otherwise it would be consumed by self-interest and would not contribute to the common good. There is the urgent need for a more efficient civil society regulation in the country. There are indications that an NGO Bill is at the draft stage with the Ministry of Finance & Economic Planning. Expedited action is needed to pass the law before the hot electoral campaign period starts in early 2020. Kenya's Public Benefit Organizations Act offers some lessons for Ghana. The Act recognizes the role of civil society in supporting socio-economic development, building social cohesion and promoting democracy. Such legal provisions must be understood and pursued as an invitation to engage with government to enhance spaces for active citizenship and civic engagement.

### Development Partners

Though this strategy understands that major development partners are pulling out of Ghana or scaling down their operations, remaining support programmes must adopt funding policies and practices by providing long-term, flexible and core funding that will help CSOs to plan multi-year programmes, retain staff and adapt programming to address changes in or interruptions to funding streams.

## STAR-Ghana Foundation

Facilitate and support the establishment of a National Council of CSOs (NaCCSOs) as a self-regulating body. This was the model tried in the past by the Ghana Association of Private Voluntary Organisations (GAPVOD) with regional branches such as the BANGOS (Brong Ahafo NGOs) and WERENGOS (Western Region NGOs) and ASHANGOS (Ashanti Region NGOs). The Convenings agreed that there is currently a leadership vacuum and a structure such as proposed above is urgently needed to fill the vacuum. This will be akin to the Chartered Institute of Marketing or the Institute of Chartered Accountants. The current thematic national coalitions, networks and alliances such as the Coalition of NGOs in Health, Ghana Education Campaign Coalition, Coalition of NGOs in WASH, Child Rights Network and the Ghana SRHR Alliance could form the nucleus member bodies of such a national body. The national council will then be replicated at the regional and district levels as Regional Council of CSOs (ReCCSOs) and District Council of CSOs (DiCCSOs). A strong lobby with the Department of Social Welfare and District Assemblies would ensure that it will be operationally difficult to operate in any district without DiCCSOs clearance.

Support WACSI, other capacity building organisations and universities in all 10 regional capitals to run a sandwich Certificate in NGO Organisation Development. This will be a 4-week residential programme run during the holidays for CSO leaders and staff in the full technical suite of founding, establishing and successfully running a viable and sustainable CSO.

STAR-Ghana should partner with WACSI to test the ideas and strategies in this plan by assisting CSO networks or high-performing CSOs to operationalize this plan on a pilot basis. These CSO networks will serve as “centers of excellence” and will cascade their learning and support through national, regional and district CSOs and networks.

## International NGOs

Support management fees and sustainability grants when working with local CSOs and CBOs.

Ensure local CSOs you work with build sustainability into their project right from project conception stage and monitored throughout the project life cycle.

## Civil Society Organisations

The key phrase for civil society is “change or die”. In a rapidly changing external environment, there is the urgent need for organisations that want to thrive to change and adapt quickly. To do this effectively, the following recommendations are offered;

## On Operational Sustainability

**Specialisation:** There is the need for CSOs to specialise based on their key strengths, competence or areas of expertise. This will ensure that Government, Development Partners and even other CSOs will look for and secure the services of such CSOs.

**Diversification:** CSOs must be creative in their response to the changing funding context. CSOs should develop alternative funding streams such as cause-related marketing campaigns, enterprise units such as agriculture, clinics, schools, guest houses, car rentals etc that can keep them operational in the absence of donor funding.

**Cost sharing:** CSOs could also co-locate and share office expenses so it reduces the burden on each one or share the costs of hiring certain professionals such as Accountants, Auditors or M&E experts.

## On Financial Sustainability

Understand the diversity and scale of private philanthropy. CSOs need to understand the diversity and scale of private philanthropy and seriously engage with that sector.

CSOs need to understand and engage with foundations – particularly the new breed of major private donors that have emerged over the last twenty years who give considerable funds to development projects and NGOs. There are the Zoomlion Foundation, Tobinco Foundation, Ntiamoah Foundation, Osei Kusi Foundation and others. There are also the foreign ones such as the Bill & Melinda Gates Foundation, MasterCard Foundation, Tony Elumelu Foundation, MTN Foundation etc. This is a considerable resource that CSOs can tap into.

## On Identity Sustainability

CSOs should establish civil society advisory committees in their operational areas, with representatives from key stakeholders and ensure their involvement in strategy making, project design and selection, implementation, monitoring and evaluation.

## On Intervention Sustainability

There is a need for networking and collaboration among CSOs. This will help CSOs to leverage on each other's strengths and competencies and contribute to their overall efficiency. For example, CSOs could collaborate and partner on a given project by sharing the key tasks – project proposal and design, community entry, project management, community activations, project communications, accounting and finance, auditing, project reporting etc.



## Annex 1:

### Strategic Pillar 1: Build Operational Sustainability

#### Parameter 1: Build recognition and visibility

- Forge partnership with all key partners and stakeholders at district, regional and national levels.
- Develop and implement a Branding and Communications Plan.
- Ensure you communicate with chiefs, opinion leaders, Municipal Assembly, media and stakeholders using all available offline and online platforms at least once a month.
- Carve a “niche” within the development space. Be known for something among other CSOs, Government and donors.

#### Parameter 2: Build operating space

- Maintain physical Offices.
- Develop an Annual Board Development
- Plan to help the organisation keep its current board members engaged while cultivating new board members to fit the ever-changing needs of the organisation.
- Join identified platforms, networks and coalitions that further your strategic priorities.

#### Parameter 3: Build institutional capacity and infrastructure

- Develop and adopt all operational structures, systems and procedures, including Standard Operating Procedures, Employee Handbook/Manual, and Knowledge Management System.
- Develop all policies such as Gender Policy, Employee Code of Conduct, and Procurement Policy.
- Develop a Strategic Plan that speaks to the mission, vision, goals and niche of the organization.
- Use the Strategic Plan to create an Annual Operational Plan.
- Regularly (every four to five years) engage your Board of Directors and staff in a strategic planning process.
- Develop an Annual Financial Plan (your organisation’s fiscal plan of action).
- Develop standard contracts, terms of refer-

ence and scope of work to guide contracting of staff and consultants for assignments.

- Develop and implement an Employee Engagement Plan, Employee Capacity Development Plan and Internal Communications Strategy.
- Develop a Business Continuity Strategy, to include an organisational server located off-site to enable continuity of operations in the event of disruption.

#### Parameter 4: Develop influential power

- Conduct a Social Map of all key actors, opinion leaders, beneficiaries, influencers and stakeholders in your operational area/district/region/country.
- Develop and implement a Stakeholder Engagement Plan.
- Develop and implement an Advocacy Strategy.
- Develop and implement a Stakeholder Engagement Plan.
- Develop and implement an External Communications Strategy.
- Develop and implement a Media Engagement Plan
- Actively network and engage all identified stakeholders.
- Hold at least one sun-national or national forum that markets your organisation.

#### Parameter 5: Enhance quality and continuity of service and programmes

- Develop a Project Sustainability Strategy
- Involve project beneficiaries right from project conception, proposal writing and commissioning to ensure buy-in and support.
- Form Project Beneficiary Committees/Groups to actively engage in all aspects of project implementation.
- Publish project materials to beneficiaries, constituent members and beyond.

## Annex 2:

### Strategic Pillar 2: Build Financial Sustainability

#### Parameter 1: Income mobilisation and generation

- Identify Potential Sources of Support.
- To be sustainable, your organisation needs to identify and then cultivate a diverse pool of support. Sources of support might include:
  1. Government funding, including support from MMDAs and District Assemblies
  2. Foundation support, be it general funds or project support
  3. Private sector, both financial support or in-kind contributions, from local or national companies,
  4. Individual donors, including volunteers and/or financial contributions.
- Develop a Resource Mobilisation Plan.
- Form resource mobilisation sub-committee of your Board to supervise resource mobilisation.
- Explore Impact Investing - According to Investopedia, impact investing is "investing that aims to generate specific beneficial social or environmental effects in addition to financial gain". It actively seeks to make a positive impact by investing, for example, in non-profits that benefit the community.
- According to a study published by the Global Impact Investing Network, in 2014 alone, impact capital deployed in Ghana was about \$1.6 billion, which was 0.27% of GDP at the time. At the same time, the amount constituted 25% of the total \$6.5 billion worth of impact investing deployed in West Africa.

Many types of investors are entering the growing impact investing market. Here are a few common investor motivations:

- Banks, pension funds, financial advisors, and wealth managers can PROVIDE CLIENT INVESTMENT OPPORTUNITIES to both individuals and institutions with an interest in general or specific social and/or environmental causes.
- Institutional and family foundations can LEVERAGE SIGNIFICANTLY GREATER ASSETS to advance their core social and/or environ-

mental goals, while maintaining or growing their overall endowment.

- Government investors and development finance institutions can PROVIDE PROOF OF FINANCIAL VIABILITY for private-sector investors while targeting specific social and environmental goals.
- The Global Impact Investment Network (GIIN) builds critical market infrastructure and supports activities, education, and research that help accelerate the development of the impact investing field.
- ImpactBase is the GIIN's searchable, online database of impact investment funds and products designed for investors. IRIS is the GIIN's catalogue of generally-accepted performance metrics. The GIIN Research Center houses the latest information about market activities and trends, performance, practice, and more.
- The Ghana Venture Capital Trust Fund, Ghana Angel Investor Network, GIMPA Centre for Impact Investing and others provide support and capacity building in impact investing. Thanks to support from DFID, The Global Steering Group for Impact Investing (GSG) is working actively in Ghana to develop a National Advisory Board (NAB) for Impact Investment. Seek Corporate and Individual Philanthropy – This is the charitable donations of profits and resources given by business organisations to non-profit organisations. Corporate philanthropy generally consists of cash donations but can also be in the form of use of their facilities, resources or volunteer time offered by a company's employees. The concept behind philanthropy involves making an effort to drive social change. To secure philanthropy successfully, your organisation must deepen its Identity Sustainability so that the private sector, individuals and other stakeholders understand and appreciate your cause and are moved by it.
- Find creative ways to say 'thank you' and to say it often!
- Explore the potential power and impact of innovative online fund-channeling sites such as Global Giving, GoFundme, Guidestar, GivingWell, GivingWhatWeCan; or social-investment channeling sites like Kiva or Energy in Common.
- Communication: CSOs should communicate their results and impacts with their donors and beneficiaries. CSOs should also endeavor

our to communicate their results to District Assemblies, chiefs, local leaders etc

#### Parameter 2: Engage in financial planning

- Conduct Cash Flow Analysis, a financial tool every organisation should employ to be sustainable. It is not enough to know that your organisation will raise the funds it needs to meet its budget. It is essential to know if the funds will come into the organisation in a timely manner to pay the bills and to meet the payroll as it comes due.
- Conduct Annual Audit, another important part of the Annual Financial Plan and should be conducted by an independent chartered accountant. An annual audit will test for the accuracy and completeness of your organisation's financial statements and accounting practices and controls.
- Fulfil all regulatory reporting requirements.
- All non-profit organisations have to file certain forms with the Registrar-General's Dept., Ghana Revenue Authority and the Dept. of Social Welfare and, usually, with their District Assembly as well.
- The Annual Financial Plan should identify the officer responsible for filing these reports and helps to ensure that filing occurs correctly and on time.
- Consider mergers, acquisitions and consolidations as a response to the changing context. For instance, a group of CSOs with different capabilities in the project management value chain can merge their operations through a Partnership Agreement.
- Consider co-location (office share) and staff share. A group of 3 CSOs can for instance share the costs of hiring an Accountant or M&E Expert.

#### Parameter 3: Install sound financial management systems

- Set up all accounts such as Cash Book, Payroll, Financial Statements, Budgets, and Financial Risk Management.

## **Annex 3:**

### **Strategic Pillar 3: Build Identity Sustainability**

#### Parameter 1: Relevance of mission

- Organisations with clearly communicated, widely understood, and collectively shared mission and vision have been shown to perform better than those without them, with the caveat that they are effective only when strategy and goals and objectives are aligned with them as well .
- Develop your vision, mission and values statements and widely publicise it to all key stakeholders.
- Conduct Stakeholder Mapping in your operational area and develop a Stakeholder Engagement Plan to actively engage all of them.
- A stakeholder analysis should begin with a brainstorming session with your project team, including senior leadership if desired. This way, you can whiteboard all the people who may be affected by the project while you are working on it, and after it's launched. Once you've identified the larger pool of stakeholders, you can begin to align them to their level of interest and involvement, perhaps on a simple grid chart.
- Stakeholder mapping is the visual representation of a stakeholder analysis, organizing those people according to the key criteria with which you will be managing them during the project. Some of those criteria may include interest, influence, financial stake, emotional stake, those on the periphery who are still important enough to keep in the loop, etc.

#### Parameter 2: Governance and leadership

- Install clearly defined and functional management structure.
- You can choose from the different types of organisational structures such as the Hierarchical, Matrix, Horizontal/Flat, Network, Divisional, Line Organisational and Team-Based Organisational structures that suits your organisation.
- Have a functional Board selected based on competence, credibility and influence, and not on personal friendships. A Board Charter should guide the operations and conduct of



the Board.

- Have a clear Leadership Development Programme in place that will seek to spot and groom a pipeline of leaders for the organisation through mentorships, coaching, job shadows, internships, fellowships, in-class and online programmes.
- Have a Succession Management Plan in place. It involves an integrated and systematic approach for identifying, developing, and retaining capable and skilled employees in line with current and projected business objectives.
- To undertake succession planning effectively;
  1. Identify key areas and positions
  2. Identify capabilities for key areas and positions
  3. Identify interested employees and assess them against capabilities
  4. Develop and implement succession and knowledge transfer plans
  5. Evaluate effectiveness.

#### Parameter 3: Legitimacy and accountable systems

- Your organisation must subject itself to four bases of legitimacy: legal; political; moral; and technical or performance legitimacy.
- The different accountability systems are Representative Accountability, Principal-Agent Accountability and Mutual Accountability.
- Building organisational accountability systems involves: (1) identifying and prioritising organisational stakeholders; (2) setting standards and performance measures; (3) assessing and communicating performance results; and (4) creating performance consequences by which stakeholders can hold your CSO accountable.
- Advice: Justify all your activities and communications to all stakeholders.

#### Parameter 4: Policy and regulatory environment

- The Companies Code Act 1963 guides the operations of all business entities in Ghana.
- All NGOs operate under the broad ambit of the Dept. of Social Welfare under the Ministry of Gender & Social Protection.
- The various metros, municipalities and districts also have specific laws and bye-laws that you must adhere to.

- Based on the thematic focus of your organisation, you must also register with the relevant Government ministry, department or agency. For instance, NGOs in health need to register with the District Health Management Team of the Ghana Health Service, just as NGOs in Education must register with the District Education Directorate.

## **Annex 4:**

### **Strategic Pillar 4: Build Interventions Sustainability**

#### Parameter 1: Ownership of projects

- The International Finance Corporation's key principles for community development programs offer some useful guidelines:
  1. Engage in effective community consultation
  2. Culturally appropriate and effective community consultation is key to proper
  3. community ownership of projects.
- Building trust between the company, community members and other stakeholders is essential to a successful project.
- Manage expectations by clearly defining roles and responsibilities. Unless you clearly define your commitments to the beneficiary/host community, you run the risk of failing to meet these heightened expectations.
- Develop appropriate capacity: Where you lack personnel with community development experience and knowledge of local customs and needs, people with these skills should be hired.
- Mobilise core competencies: Organisations have core competencies that can be used to promote community development. These include your products, political and business connections, financial management, human resources, and other employee skills.
- Set measurable goals and report on progress. Setting goals and measuring progress allows you and your stakeholders to monitor a project's successes and shortcomings. Such transparency will be

essential to building trust among stakeholders — and to the eventual success of the project.

- Forge strategic partnerships: Often, a variety of organizations share specific community development goals with you. You should form strong, strategic partnerships, when possible, with local or national governments, local and international NGOs, local businesses, universities, research institutes, multilateral organizations, unions or other stakeholders with similar objectives.
- Plan for sustainability. Projects should be designed so their impact continues long after your organisation's involvement.
- To do this; focus on developing community skills and capacity or improving community incomes, build community capacity to manage projects and encourage links with other organisations, prepare to hand over responsibility for projects to communities, District Assembly or other organisations once the project has become sustainable and self-sufficient. Finally set a timetable to hand over responsibility with measurable goals and benchmarks to the host/beneficiary community.

#### Parameter 2: Partnership

In the ground-breaking Grow from the Right Intro report sponsored by US company, Powerlinx, over 330 senior executives from around the world said "strategic partnerships are one of the most effective components of business growth strategies". So effective, in fact, that 85% of them feel strategic partnerships are crucial to their business but nearly half said they had trouble finding and connecting with the right strategic partner.

The report gives some of the proven strategies for building effective partnerships as;

- develop a partnership strategy
- set milestones
- set communication points, all with a long-term vision in mind.

The Irish Association of Non-Governmental Development Organisations have the following principles for forming partnerships among civil society;

1. Partnerships are based on a shared vision of development
2. Partnerships are based on shared organisational values

3. Partnerships are based on an agreed strategy
4. Relationships are based on mutual accountability and trust
5. Partnerships are based on a mutual commitment to long-term change
6. Expectations from partnerships will be set at a realistic level
7. Partnerships are based on clear roles and responsibilities
8. Partnerships are flexible and adaptable to change
9. Partnerships respect difference and recognise power imbalances
10. Partnerships ultimately deliver positive change for intended beneficiaries of projects.

The Centers for Disease Control and Prevention (CDC) of the US suggests the following Nine Practices Common in High-Performance Partnerships

1. Use a mutual selection process when recruiting partners
2. Encourage size and value diversity
3. Recruit partners who are leaders within stakeholder communities
4. Understand and address partner motivations
5. Establish ground rules (codes of conduct)
6. Embrace a common vision
7. Develop commitment through leadership
8. Create decision-making protocols
9. Anticipate and manage conflict

#### Parameter 3: Results communications

- Right from the onset, identify your project's communication goals which may help shape the overall project objectives, the audiences, and tools to be used.
- Ensure proper communication lines are established and utilized correctly throughout the life of the implementation or implementation cycle.
- Establish schedules for continuous communication to stakeholders and audiences.
- Make strategic use of a combination of communication tools.
- Resources (both human and financial) should be properly allocated according



to agree upon priorities.

- Feedback is needed and used constructively to improve communication effectiveness.
- Establish evaluation mechanism to assess impact.

#### Process of Communicating Results

- Determine your audience
- Target your communication to your audience
- Choose the communication format
- Create the communication